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RUCNDT/USMISSION USUN NEW YORK PRIORITY 0795
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SENSITIVE
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DEPT FOR WHA, WHA/CEN, WHA/EPSC, USOAS AND EEB; PLEASE PASS
TO USTR:AMALITO/DOLIVER

E.O. 12958: N/A

TAGS: CS ECON ETRD KIPR PGOV PREL

SUBJECT: COSTA RICAN PRESIDENT ACCEPTS TRADE SUMMIT
INVITATION AND REQUESTS CAFTA-DR EVENT

REF: A. A) SECSTATE 80675

1B. B) SAN JOSE 631

1C. C) SAN JOSE 634

11. (U) Please see Action Requests. paragraph 7.

12. (SBU) SUMMARY: President Oscar Arias accepts the USG invitation to attend the Americas Trade Summit scheduled for September 24 in New York (Reftels A and B). In addition, the President requested an entry-into-force event in the US on September 23, either in Washington or New York, to mark Costa Rica's accession into CAFTA-DR. We recommend making every effort to comply with Arias's request. END SUMMARY.

U.S. INVITATION ACCEPTED

13. (U) The GOCR delivered President Arias's acceptance to Embassy San Jose through the Ministry of Foreign Trade (COMEX). Separately, the MFA (FM Bruno Stagno's office) confirmed the President's acceptance of the trade summit invitation.

COSTA RICAN REQUEST DELIVERED

14. (SBU) COMEX also relayed President Arias's related request: to officially deposit the CAFTA-DR instrument of ratification at the OAS in Washington on September 23 or exchange diplomatic notes there or in New York to mark Costa Rica's CAFTA-DR accession. COMEX (and the MFA) indicated that the details and format of the event are open to discussion. The key for them (and evidently for Arias) is to be able to participate in the New York summit as a full member of the FTA "club".

15. (SBU) The President's request raises the bar for the GOCR to complete the remaining parts of CAFTA-DR implementation: approval and publication of two bills, approval of regulations, signing of the insurance side letter and associated documentation, and the creation of a special enforcement office to prosecute intellectual property crimes. All of this must be completed by mid-September.

LEGISLATION KEEPS MOVING

16. (SBU) Arias's request was no doubt fueled by the continuing CAFTA-DR legislative progress (Ref C). The last implementing bill (on IPR and biodiversity) passed the first

vote of the National Assembly on August 6. If review by the Constitutional Court is required (and assuming the Court finds no problems), the bill would return for a second and final vote in about 30 days. Legislative staff tell us, however, that the Court may not have to review the IPR bill after all. If that proves true, the bill could face its second and final vote as early as the week of August 11, before the legislature is expected to break for recess.

(COMMENT: We'd be pleasantly surprised if the CAFTA opposition did not send this controversial final bill to the Court for review. END COMMENT.)

ACTION REQUESTS

17. (SBU) Please advise how we can best respond to President Arias's request. We recognize that the USG may be reluctant to commit to an event that is largely dependent on GOCR execution. Yet, Arias's request poses questions for USTR: when is the cutoff date for receiving published laws, approved regulations, signed side letters, and evidence of an established special prosecutor's office? To meet the president's request, we assume that all documents will need to have been reviewed and certified by USTR NLT 22 September (or even before). Therefore, by when does USTR need final documentation in order to hold an event on September 23? Also, please advise the correct form for Costa Rica's entry into force activity. Is deposit at the OAS more appropriate than an exchange of notes?

COMMENT

18. (SBU) We recommend making every effort to comply with Arias's request. He is finally confident enough about CAFTA-DR's prospects here to suggest a date certain to deposit Costa Rica's instrument of ratification and/or mark imminent entry-into-force. Let's hold him and the GOCR to it. Accepting that date certain should squelch temptation to fiddle with the remaining implementation elements; there would be no time. Arias certainly views a CAFTA-DR ceremony (probably well-publicized) as a way to score domestic political points at home, but highlighting Costa Rica's better-late-than-never accession to CAFTA-DR during the UNGA (and around the New York Summit) would be a timely boost to the USG trade agenda as well, in our view.

CIANCHETTE